GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:5150
ANSWERED ON:26.04.2002
CHANGES IN DEPB SCHEME
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government propose to make the `Duty Entitlement Pass Book` scheme WTO compliant;

(b) if so, the changes proposed to be made to make the DEPB Scheme compatible with the WTO guidelines;

(c) whether this exercise has been started;

(d) if so whether any committee has also examined such aspects; and

(e) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a) to (e) : The Duty EntitlementPassbook Scheme is based on the concept of refund of the basic customs duty on the imported inputs deemed to have been used in the export product as per the input outputs norms. Hence the scheme is not violative of WTO provisions. The Prabhu Committee chaired by the former Commerce Secretary, Shri P.P.Prabhu, went into the functioning of the DEPB Scheme where, among other things, it also examined WTO compatibility.The Committee has recommended the continuation of DEPB and accordingly the scheme has been continued in the recently announced Exim Policy (2002-07).